

City of Detroit

CITY COUNCIL

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ANNE MARIE LANGAN
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TO: Graham W.J. Beal, Director
Arts Department

FROM: Irvin Corley, Jr., Fiscal Analysis Director

DATE: May 2, 2008

RE: 2008-09 Budget Analysis

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Attached is our budget analysis regarding your department's budget for the upcoming 2008-09 Fiscal Year.

Please be prepared to respond to the issues/questions raised in our analysis during your scheduled hearing on **Tuesday, May 6, 2008 at 2:00 p.m.** We would then appreciate a written response to the issues/questions at your earliest convenience subsequent to your budget hearing. Please forward a copy of your responses to the Councilmembers and the City Clerk's Office.

Please contact us if you have any questions regarding our budget analysis.

Thank you for your cooperation in this matter.

IC:ss

Attachment

cc: Councilmembers
Council Divisions
Auditor General's Office
Pamela Scales, Budget Department Director
Short, Renee, Budget Manager
Norman White, Finance Department Director
Loren Lau, Chief Financial Officer -DIA
Kerwin Wimberly, Mayor's Office

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Arts/DIA

FY 2008-2009 Budget Analysis by the Fiscal Division

Summary

The proposed General Funding Subsidy in the Mayor's 2008-2009 Proposed Budget is \$0, which is the same amount reflected in the fiscal year 2007-2008 budget. The proposed budget recommends \$100,000 in Capital Improvements to the Art Institute.

Bond Issue

The proposed \$100,000 for Capital Improvements is from capital reinvestment. Capital reinvestment is based on the interest earned on bonds. The capital funds will be used to implement projects as outlined in the DIA's Master Plan.

00992 - Capital Improvement Bonds – DIA Capital Reinvestment	FY 2007-08 Budget \$ 99,000	FY 2008-09 <u>Recommended</u>	Increase (Decrease) \$ (99,000)
12651 – GO Bonds DIA Improvement 08-09		\$100,000	\$ 100,000
Total	\$ 99,000	\$ 100,000	\$ 1,000

2007-2008 Surplus/Deficit

There is no projected deficit for fiscal savings in the recommended budget.

Personnel and Turnover Savings

There is no projected employee turnover savings in the recommended budget.

<u>Appropriation/Program</u>	<u>Redbook Positions FY 2007-08</u>	<u>Filled Positions 3/31/2008</u>	<u>Mayor's Budget Positions FY 2008-09</u>	<u>Mayor's Over/(Under) Actual to 07/08 Budget</u>	<u>Mayor's Recommended Turnover</u>
Arts (11):					
00002 Museum Management	0	0	0	0	\$ -
00004 Curatorial/Support Opns.	0	0	0	0	\$ -
00005 Museum Programs	0	0	0	0	\$ -
05809 Founders Perform. Grant	0	0	0	0	\$ -
11XXXX Leave of Absence	0	0	0	0	\$ -
11XXXX Worker's Comp.	0	0	0	0	\$ -
11XXXX Unmatched Positions	0	0	0	0	\$ -
11XXXX Non-Active Status	0	0	0	0	\$ -
TOTAL	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>\$ -</u>

Arts (11)

Budgeted Professional and <u>Contractual Services by Activity</u>	FY 2005-06 <u>Budget</u>	FY 2006-07 <u>Recommended</u>	Increase <u>(Decrease)</u>
Museum Management	\$ -	\$ -	\$ -
Total	\$ -	\$ -	\$ -

Issues and Questions

1. What was the actual cost of the renovation project?
2. How many un-issued general obligation bonds remain from the \$25 million originally authorized?
3. How many Detroit residents attend the museum annually?
4. What programs or public relations tools have been developed to increase the attendance of Detroit residents?
5. Has the museum's patronage increased since the expansion?
6. What major events are planned in 2008-2009?